

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2731
ANSWERED ON:31.08.2007
TASK FORCE ON URBAN COOPERATIVE BANKS
Patel Shri Kishanbhai Vestabhai

Will the Minister of FINANCE be pleased to state:

- (a) whether Reserve Bank of India has signed any Memorandum of Understanding with regard to Urban Co-operative Banks with State Government of Gujarat;
- (b) if so, the details and the salient features thereof;
- (c) whether a State level Task Force on Urban Co-operative Banks has been constituted in the State; and
- (d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : Reserve Bank of India (RBI) has signed a Memorandum of Understanding (MoU) with State Government of Gujarat on June 28, 2005 with regard to Urban Cooperative Banks (UCBs) in the State. As UCBs are subjected, to dual control by the RBI and the respective State Government MoU seeks to put in place an arrangement through which there is a convergence on the approach and remedial action to be taken for facilitating the development of the sector. The MoU, inter-alia, provides for :-

- i) Constituting a State level Task Force for UCBs (TAFUCB) for identification and drawing up of a time bound action plan for the revival of potentially viable UCBs and non disruptive exit for non-viable UCBs.
- ii) Facilitating human resources development and IT initiatives in UCBs.
- iii) Professionalisation of Audit i.e. statutory audit by Chartered Accountant for UCBs with deposit over Rs.25 crore.
- iv) Putting in place fit and proper criteria for the Chief Executive Officers based on the guidelines of the bank.

(C) 6s (d) : Consequent upon signing of MoU, a State Level Task Force for UCBs (TAFUCB) has been constituted for Gujarat. The Regional Director of RBI, for the State of Gujarat is the Chairman of the TAFUCB while the Registrar of Cooperative Societies (RCS, Gujarat) is the Co-chairman. Other members of the TAFUCB are a nominee of the State Government of Gujarat, a representative of Central Office of Urban Banks Department of RBI, Mumbai and a representative, each, from National Federation of UCBs and State Federation of UCBs.